GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:828
ANSWERED ON:03.12.2015
International Maritime Organisation
Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kachhadia Shri Naranbhai;Kirtikar Shri Gajanan Chandrakant;Singh Shri Kunwar Haribansh

Will the Minister of SHIPPING be pleased to state:

(a) whether the International Maritime Organization which regulates global shipping is expected to remove a major portion of Indian ocean from the list of piracy prone high risk area;?
(b) if so, the details thereof and reasons therefor;
(c) the likely benefits of the said move to the country; and,
(d) the other steps taken/being taken by the Government for the benefit of Indian ship owners?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)
(a)&(b):As a result of increase in piracy related incidents, the shipping industry body known as the Round Table, which is headquartered at London, extended the High Risk Area (HRA) geographical coordinate in the Indian Ocean from 65 degrees East longitude to 78 degrees East longitude in 2011. The extended HRA came almost near the Indian coastline upto as close as about 35 nautical miles from the baseline. ?Due to this extended HRA, the following impacts were seen: -
(i) Additional War Risk Premium (AWRP) was imposed on vessels carrying Indian EXIM cargo by insurance providers and this extra AWRP was added to the freight cost, which was a financial burden for the Indian EXIM trade.
(ii) International maritime traffic movement started 'hugging' the Indian coastline leading to maritime congestion jeopardizing coastal maritime safety.
With improved patrolling and escorting by Indian Navy and Coast Guard, the conditions in the High Risk Area in the Arabian Sea improved substantially. Since the year 2011, India has consistently taken up, in several global fora, such as the International Maritime Organization and the Contact Group on Piracy off the Coast of Somalia (CGPCS), the issue of the restoration of the said HRA geographical coordinates to 65 degrees East longitude. In view of India's efforts, international shipping industry bodies have now agreed to push back the HRA from 78 degrees East longitude to the 65 degrees East longitude, acceding to India's request.
(c) It has been informed by the Indian National Shipowners' Association (INSA) that the redrawal of HRA will result in substantial savings for Indian EXIM trade on account of reduced insurance premium and consequently reduced freight costs. Another major positive fallout will be regarding improved safety of fishermen and fishing boats.
(d) ?The other steps taken by the Government for the benefit of Indian ship owners include simplification of ship licensing procedure; permission to acquire and flag ships abroad; parity in taxation of seafarers employed on Indian flag vessels with those employed on foreign ships; exemption of Customs and Central Excise duties on bunker fuels consumed by Indian flag ships carrying containers along the coast.
****